
Mortgage and Deed of Trust

OF

KANKAKEE WATER COMPANY

TO

THE PORTLAND NATIONAL BANK

AND

FRANCIS W. DANA,
As Trustees.

SECURING FIRST MORTGAGE BONDS

Dated June 1, 1939

FOR AMENDMENTS TO
THIS INDENTURE
SEE SUPPLEMENTAL
INDENTURE B
JANUARY 1, 1946

the aggregate face amount of bonds issued and outstanding under this Indenture does not exceed an amount which shall be specified in the certificate;

(5) The officially authenticated certificates or other documents, if any, specified in the opinion of counsel provided for in subdivision (3) above including evidence satisfactory to the Corporate Trustee of the payment or provision for payment of any taxes therein referred to;

(6) If the bonds, the authentication and delivery of which is applied for, are not a part of any series then existing, the supplemental indenture creating the series of which such bonds are a part and a resolution, as herein defined, authorizing the execution and delivery thereof by the Company.

SECTION 2. No bonds in addition to those provided for in Section 1 of Article III hereof shall be authenticated and delivered hereunder by the Corporate Trustee except in accordance with the provisions of Article V, Article VI or Article VII hereof, or except upon transfer of or in exchange for bonds previously outstanding under this Indenture or in lieu of bonds lost, stolen, destroyed or mutilated as provided in Article II hereof, nor at any time when the Corporate Trustee has knowledge that the Company is in default under any of the provisions of this Indenture.

ARTICLE V.

ISSUANCE OF BONDS UPON THE BASIS OF PERMANENT ADDITIONS.

SECTION 1. Subject to the provisions of Sections 1 and 2 of Article IV hereof, bonds in addition to those provided for in any other section hereof may from time to time be executed by the Company and delivered to the Corporate Trustee and shall be authenticated and delivered by the Corporate Trustee upon the basis of the acquisition or construction of permanent additions, as herein defined. Such additional bonds, however, shall be authenticated and delivered only in accordance with and subject to the conditions, provisions and limitations set forth in the next succeeding four sections of this Article numbered from 2 to 5, both inclusive.

SECTION 2. No bonds shall be authenticated and delivered at any time under the provisions of this Article upon the basis of the acquisition or construction of

(a) any property not included within the definition of permanent additions contained in Section 4 of Article I hereof, or

(b) any property which has not been or is not simultaneously with the authentication and delivery of bonds applied for subjected to the lien hereof other than (1) paving, grading and other improvements to public highways and (2) chattels, real or personal, which are not permitted by

will be
subject to lien

law as of any particular time to be mortgaged or pledged without the delivery of the possession thereof by the mortgagor or pledgor to the mortgagee or pledgee.

(c) any property which has previously been made the basis for the authentication and delivery of bonds hereunder, or for the withdrawal of cash deposited under the provisions of Section 1 of Article VII or Section 17 of Article VIII hereof; or

(d) any property which has previously been made the basis for the withdrawal under Section 5 of Article VIII hereof or under Section 10 of Article X hereof, of cash representing either insurance moneys received or the proceeds of property released from the lien hereof (unless such cash shall be the proceeds including insurance moneys of property not owned by the Company on July 1, 1939, and not made the basis for the issuance of bonds hereunder or the withdrawal of cash under any of the provisions hereof subsequent to July 1, 1939, or shall have been replaced under the provisions of Section 11 of Article X hereof); or

(e) any property which has previously been used in lieu of the deposit of cash under the provisions of Section 16 of Article VIII hereof; or

(f) any property which has previously been made the basis for the release of property under the provisions of Section 3 of Article X hereof; or

(g) any substituted property acquired by the Company in the exercise by it of any right which it may have to apply the proceeds of property theretofore subject to the lien hereof sold or taken by eminent domain, to the acquisition of such substituted property, without depositing such proceeds with the Corporate Trustee hereunder; or

(h) any property used by the Company in lieu of the deposit of cash with the Corporate Trustee hereunder, in the exercise of any right which the Company may have to subject property to the lien hereof or to certify permanent additions to the Corporate Trustee in lieu of the deposit of moneys otherwise required to be deposited with the Corporate Trustee in any fund, derived from insurance moneys or the release of property from the lien hereof; or

(i) any property, subject to any lien, for the payment of money or its equivalent, prior to the lien of this Indenture, except (a) prepaid liens, as herein defined, (b) the lien of taxes for the then current year and of taxes, assessments or governmental charges not then due or delinquent and (c) liens securing indebtedness which has neither been assumed by the Company nor on which it customarily pays interest charges existing upon real estate or rights in or relating to real estate acquired for right-of-way purposes and not upon any other permanent additions;

provided, that any permanent additions as defined in Section 4 of Article I

hereof, included within the terms of clauses (f), (g) or (h) of this Section, acquired in exchange for or with the proceeds (including insurance money) of property not owned by the Company on July 1, 1939, and not made the basis for the issuance of bonds or the withdrawal of cash hereunder, subsequent to July 1, 1939, shall not be excluded by the provisions of this Section as a basis for the issuance of bonds.

Any permanent additions, which shall have been certified to the Corporate Trustee at any time or shall have been specified or described in any certificate delivered to the Corporate Trustee in accordance with any of the provisions of this Indenture as a basis for the authentication and delivery of bonds or the withdrawal of cash, or in lieu of the deposit of cash, under any of the provisions of this Indenture, of a cost or value, whichever shall be less, in excess of the amount thereof required by the provisions of this Indenture as a basis for the authentication and delivery of the bonds authenticated and delivered or the withdrawal of the cash withdrawn, or in lieu of the deposit of cash withheld upon the basis of such permanent additions so specified or described, shall be available upon any subsequent application as a basis for the authentication and delivery of bonds or the withdrawal of cash or for the withholding of cash under any of the provisions of this Indenture at the cost or value, whichever shall be less, stated in the certificate relating thereto and it shall not be necessary to again deliver to the Corporate Trustee in any document any of the statements or opinions in relation thereto provided for in Section 5 of this Article except an engineer's certificate as herein defined, stating that such excess property has not been used in such manner as to disqualify it as a basis for the issuance of bonds since the authentication and delivery of the bonds or the withdrawal of cash or withholding of cash in connection with which the certificate specifying or describing such property was delivered to the Corporate Trustee.

SECTION 3. No bonds shall be authenticated and delivered under the provisions of this Article upon the basis of the acquisition or construction of any permanent additions until the cost of such permanent additions and the fair value thereof, shall have been certified to the Corporate Trustee as hereinafter in Section 5 of this Article provided and the Corporate Trustee shall not authenticate and deliver under the provisions of this Article bonds in principal amount exceeding seventy-five per centum (75%) of the cost, as herein defined, or of such fair value whichever is less, of the permanent additions forming the basis of such authentication and delivery.

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SECTION 4. No bonds shall be authenticated and delivered under this Article unless as shown by a net earnings certificate, as herein defined, the average annual amount of the earnings applicable to bond interest, as herein defined, for period of three consecutive years ending not more than three months prior to the date of any application for authentication and delivery of bonds shall have been at least equivalent to one and three-fourths times the

Supp H

interest requirements for a period of one year upon (a) the bonds applied for, and (b) all bonds outstanding, as herein defined, hereunder on the date of such application.

SECTION 5. No application by the Company to the Corporate Trustee for the authentication and delivery of bonds under this Article shall be granted by the Corporate Trustee, until the Corporate Trustee shall have received:

(1) The documents provided for in Section 1 of Article IV.

(2) An engineer's certificate, as herein defined, briefly describing the permanent additions made the basis of the application and stating that they are permanent additions, as defined in Section 4 of Article I hereof, that they are desirable for use in the profitable conduct of the Company's business, and that they do not consist in whole or in part of properties which under the provisions of Section 2 of this Article are not permitted to be made the basis of the authentication and delivery of bonds; and stating what part, if any, of such permanent additions consists of property which has been acquired as an operating entirety; and stating separately the cost, as defined herein, and the then fair value of such permanent additions. If any permanent additions included in any certificate provided for in this subdivision (2) of this Section consist of property which has been acquired as an operating entirety then (1) the cost thereof upon the basis of which bonds may be authenticated under this Article may include the cost of any rights and intangible property simultaneously acquired with the same, for which no separate or distinct consideration shall have been paid or apportioned, and (2) the certificate shall describe such property in reasonable detail and contain a brief statement of the considerations governing the signer's determination of the fair value thereof, and shall further state that in stating such fair value, only the value of the physical property, exclusive of any attached or intangible value, was taken into consideration.

(3) A net earnings certificate, as herein defined, specifying the average annual amount of the earnings applicable to bond interest for a period of three consecutive years ending not more than three months prior to the date of the accompanying application for authentication and delivery of bonds and stating the aggregate principal amount of the bonds mentioned in clauses (a) and (b) of Section 4 of this Article and the interest requirement on such bonds for a period of one year.

(4) An opinion of counsel, as herein defined, stating that in the opinion of the signer: (A) the Company has title to all of the permanent additions other than the paving, grading and other improvements to public highways forming the basis of the accompanying application or that upon the delivery of instruments of conveyance, assignment or transfer specified in the opinion, it will have title to such permanent additions; (B) that

all of such permanent additions, other than (1) paving, grading and other improvements to public highways, (2) chattels, real or personal which are not permitted by law to be mortgaged or pledged without the delivery of possession thereof by the mortgagor and pledgor to the mortgagee or pledgee, are subject to the lien of this Indenture and that none of such permanent additions are subject to any lien for the payment of money or its equivalent prior to the lien of this Indenture, except (a) prepaid liens, as herein defined, (b) taxes for the current year and taxes, assessments and other governmental charges not then due or delinquent and (c) liens securing indebtedness which has neither been assumed by the Company nor on which it customarily pays interest charges existing upon real estate or rights in or relating to real estate acquired for right-of-way purposes and not upon any other property additions or, in the alternative, stating what, if any, documents should be delivered, recorded or filed so to subject such property to the lien of this Indenture; and (C) that the Company has corporate authority and all necessary permission from governmental authorities to own and, except as to properties for which the Company has no valid franchise, to operate the permanent additions in respect of which the application is made. Such opinion may also state that the title to such permanent additions or any specified part thereof in addition to the liens referred to in clauses (a), (b) and (c) above is subject to easements, restrictions or minor defects of title and the general nature thereof; and such easements, restrictions and minor defects of title shall not prevent the authentication and delivery of the bonds applied for if such opinion shall also state that in the opinion of the signer they do not materially affect the security afforded by this Indenture for the bonds issued hereunder or the right of the Company to use such property in the conduct of its business for the purpose for which it acquired the same.

(5) The instruments of conveyance, assignment and transfer, if any, specified in such opinion of counsel, in accordance with clause (A) of the foregoing subdivision (4), or evidence satisfactory to the Corporate Trustee of the delivery thereof to the Company, and the documents, if any, stated in such opinion of counsel, in accordance with clause (B) of the foregoing subdivision (4), or evidence satisfactory to the Corporate Trustee of the delivery or recording or filing thereof.

ARTICLE VI.

ISSUANCE OF BONDS UPON RETIREMENT OF BONDS SECURED HEREBY PREVIOUSLY OUTSTANDING.

SECTION 1. The Company may from time to time issue and the Corporate Trustee shall authenticate and deliver, subject to the provisions of Sections 1 and 2 of Article IV hereof, bonds hereby secured in addition to those provided for in any other Section hereof, in an aggregate principal amount not exceed-

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KNOX COUNTY RECORDER

Schedule D-8
Page 9 of 20

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GALESBURG, ILL. 40

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BOOK 1512 PAGE 299

SUPPLEMENTAL INDENTURE C

KANKAKEE WATER COMPANY
to
FIRST PORTLAND NATIONAL BANK
and
FRANCIS W. DANA,
As Trustees.

DATED NOVEMBER 1, 1951

NO 414980
STATE OF ILLINOIS, KANKAKEE COUNTY.
FILED FOR RECORD Nov. 13, 1951
AT 10:11 A.M. AND RECORDED IN BOOK
NO. 660 OF RECORDS ON PAGE 191
Roy J. Arseneau RECORDER
I.T.

Providing for First Mortgage Bonds, Series D, 3-3/4%

charges or provision for depreciation, insurance charges, damages, license fees and actual expenditures for ordinary repairs and maintenance, but not including in operating expenses, interest charges, charges or reserves for amortization of debt and stock discount premium and expense, or income and other taxes imposed on income only after the deduction of interest charges."

provided, however, that the amendment made by this Section 4 shall not be effective in respect to the authentication and delivery of any Series D, 3-3/4% Bonds.

Section 5. The percentage "seventy per centum (70%)" and/or "seventy per cent." and/or "70%", appearing in the following places in the Original Indenture, as amended by Supplemental Indenture B, viz: Article V, Section 3, the seventh line; Article VII, Section 3, the sixth and seventh lines; Article VIII, Section 17, second paragraph, the second, third and seventeenth lines; and Article X, Section 10, the thirty-second line, are hereby changed to read "sixty-six and two-thirds per cent. (66-2/3%)". The change made by this Section 5 shall not be effective in respect to permanent additions (as defined in the Original Indenture) heretofore or hereafter acquired or constructed by the Company which are used as the basis (i) for the authentication and delivery of Series D, 3-3/4% Bonds under the provisions of paragraph (a) of Section 3 of Article I hereof and (ii) for the withdrawal of an aggregate amount of cash equal to the amount of cash deposited with the Corporate Trustee under the provisions of paragraph (b) of said Section 3.

Section 6. Article X, Section 3(2)(b)(2), of the Original Indenture is hereby amended so as to read as follows:

"(2) obligations secured by purchase money mortgage upon the property released not exceeding sixty-six and two-thirds per cent. (66-2/3%) of the value of the property released, or"

Section 7. Article X, Section 3(4), of the Original Indenture is hereby amended so as to read as follows:

"(4) an opinion of counsel, as herein defined, to the effect that any obligations included in the consideration for such release are, in his or their opinion, valid obligations, and that any purchase money mortgage securing the same is sufficient to afford a first lien upon the property to be released, and stating also, in case the Trustees are requested to release any franchise, that such release will not impair the right of the Company to operate any of its remaining properties;"

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KNOX COUNTY RECORDER

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Schedule D-8
Page 11 of 20

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BOOK 1513 PAGE 126

SUPPLEMENTAL INDENTURE H

KANKAKEE WATER COMPANY

to

MAINE NATIONAL BANK

and

V. KEITH WILSON, JR.

As Trustees

Dated: October 1, 1974

Providing for First Mortgage Bonds, Series H, 9-3/4%

Dated: October 1, 1974

Due: October 1, 1994

BCCN 1513 PAGE 161

under this Article unless as shown by a net earnings certificate, as herein defined, the amount of the earnings applicable to bond interest, as herein defined, for a period of twelve consecutive months ending not more than three months prior to the date of any application for authentication and delivery of bonds shall have been at least equivalent to one and three-fourths times the interest requirements for a period of one year upon (a) the bonds applied for, and (b) all bonds outstanding, as herein defined, hereunder on the date of such application."

Section 4. Subdivision (3) of Section 5 of Article V of the Indenture is hereby amended so that it reads in its entirety as follows:

"(3) A net earnings certificate, as herein defined, specifying the amount of the earnings applicable to bond interest for a period of twelve consecutive months ending not more than three months prior to the date of the accompanying application for authentication and delivery of bonds and stating the aggregate principal amount of the bonds mentioned in clauses (a) and (b) of Section 4 of this Article and the interest requirement on such bonds for a period of one year."

Reference is made to Section 1 of Article II of Supplemental Indenture G which amended Section 6 of Article I of the Indenture so as to provide for taking into account the effect of a rate increase which becomes effective after the beginning of any period covered by a net earnings certificate dated after January 1, 1971.

Section 5. Section 1 of Article VII of the Indenture is hereby amended so that it reads in its entirety as follows:

"Section 1. Subject to the provisions of Sections 1

SUPPLEMENTAL INDENTURE J

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GALESBURG, ILL

KANKAKEE WATER COMPANY

to

MAINE NATIONAL BANK

and

V. KEITH WILSON, JR.

As Trustees

Dated: December 1, 1984

Providing for First Mortgage Bonds, Series J,
Variable Interest Rate

This instrument was prepared by John H. Doll, Isham,
Lincoln & Beale, Three First National Plaza, Chicago, Illinois
60602.

BOOK 1513 PAGE 240

shares of \$9.75 Cumulative Preference Stock, after June 30, 1984, will not exceed (i) \$475,000, plus (ii) the net proceeds received by the Company from the issue for cash of additional shares of its common stock after June 30, 1984, plus (iii) Net Earnings After Taxes (as defined in Section 20 of this Article VIII) for said period or minus the net deficit for said period."

Section 2. The first paragraph of Section 4 of Article V of the Indenture is hereby amended to read in its entirety as follows:

"Section 4. No bonds shall be authenticated and delivered under this Article unless as shown by a net earnings certificate, as herein defined, the amount of the earnings applicable to bond interest, as herein defined, for a period of twelve consecutive months ending not more than three months prior to the date of any application for authentication and delivery of bonds (the "earning period") shall have been at least equivalent to one and three-fourths times the interest requirements for a period of one year upon (a) the bonds applied for, and (b) all bonds outstanding, as herein defined, hereunder on the date of such application, provided, however, that for purposes of this Section 4, the interest on the bonds outstanding on the date of such application and the bonds applied for which have a variable or adjustable rate of interest shall be calculated as if the weighted average rate of interest that was or would have been applicable during the earnings period, as the case may be, was effective for all of the earnings period."

Section 3. Section 1 of Article VII of the Indenture is hereby amended to read in its entirety as follows:

"Section 1. Subject to the provisions of Sections 1 and 2 of Article IV hereof, the Corporate Trustee shall from time to time authenticate and deliver bonds upon deposit with the Corporate Trustee by the Company of cash equal to the principal amount of the bonds requested to be authenticated and delivered but only after the Corporate Trustee shall have received a net earnings certificate, as herein defined, from which it shall appear that the amount of the earnings applicable to bond interest, as herein defined, for a period of twelve consecutive months ending not more than three months prior to the date of the application for authentication and delivery of bonds (the "earnings

BOOK 1513 PAGE 241

period") shall have been at least equivalent to one and three-fourths times the interest requirements for a period of one year upon (a) the bonds applied for, and (b) all bonds outstanding, as herein defined, hereunder on the date of such application, provided however, that for purposes of this Section 1, the interest on the bonds outstanding on the date of such application and the bonds applied for which have a variable or adjustable rate of interest shall be calculated as if the weighted average rate of interest that was or would have been applicable during the earnings period as the case may be, was effective for all of the earnings period."

ARTICLE III

MISCELLANEOUS

Section 1. Except as otherwise provided herein, all of the terms, provisions and conditions of the Indenture, as hereby supplemented and amended, shall be and remain in full force and effect and shall apply to the property hereby mortgaged and pledged and to the Series J Bonds and to the holders thereof.

Section 2. This Supplemental Indenture J shall be binding upon and inure to the benefit of the Company and its successors and assigns and the Trustees and their respective successor or successors.

Section 3. This Supplemental Indenture J may be simultaneously executed in any number of counterparts, and all said counterparts executed and delivered, each as an original, shall constitute but one and the same instrument.

IN WITNESS WHEREOF, KANKAKEE WATER COMPANY has caused this instrument to be executed in its corporate name by its President or a Vice President and its corporate seal to be hereunto affixed, attested by its Secretary or an Assistant Secretary, and MAINE NATIONAL BANK has caused this instrument to be executed in its corporate name by its Vice President and its corporate seal to be hereunto affixed, attested by its Assistant Trust Officer, and V. Keith Wilson, Jr. has hereunto

BOOK 1513 PAGE 319

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SUPPLEMENTAL INDENTURE N

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KNOX COUNTY RECORDER

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GALESBURG, ILL.

CONSUMERS ILLINOIS WATER COMPANY

to

MAINE NATIONAL BANK

Dated: as of December 1, 1988

Providing for First Mortgage Bonds, Series M, 10.40%

Due December 1, 2018

This instrument was prepared by Keith C. Jones, Drummond
Woodsum Plimpton & MacMahon, 245 Commercial Street, Portland,
Maine 04101.

Trustee and shall be authenticated by the Trustee, and delivered (whether before or after the filing or recording hereof) from time to time in accordance with the order or orders of the Company, evidenced by a writing or writings signed by its President or a Vice-President and its Treasurer or an Assistant Treasurer upon the basis of (i) the acquisition or construction of permanent additions as defined in the Indenture, and (ii) the retirement of Bonds secured under the Indenture previously outstanding, upon compliance with the provisions of the Indenture.

ARTICLE II

AMENDMENTS TO PROVISIONS OF THE INDENTURE

Section 1. Article V of the Indenture is hereby amended by the addition thereto of a new Section 6 as follows:

SECTION 6. Notwithstanding anything to the contrary in this Article V, or in subdivision (5) of Section 3 of Article X, or in Section 10 of Article X, the Company may deliver to the Trustee, and the Trustee shall accept, the following in lieu of the opinion provided for in subdivision (4) of Section 5 of Article V, subdivision (5) of Section 3 of Article X, or Section 10 of Article X except as provided below:

(1) An ALTA Loan title insurance policy or equivalent form of title insurance policy or an endorsement to an ALTA loan title insurance policy or equivalent form of title insurance policy previously delivered to the Trustee pursuant to this Section 6, naming the Trustee as an insured, issued by a title insurance company acceptable to the Trustee, which insures this Indenture as a valid lien upon (i) all of the real estate owned by the Company and used or useful in connection with the business conducted by the Company of acquiring, storing, supplying, distributing, selling or otherwise disposing of water for domestic, commercial, industrial and other uses, or collecting and treating sewage, other than easements and leasehold interests held by the Company (hereinafter referred to as the "Company's Utility Property") in the case of a title policy delivered to the Trustee in lieu of the opinion provided for in subdivision (4) of Section 5 of Article V; (ii) all of the Company's Utility Property to be used as consideration for the property to be released in the case of a title policy delivered to the Trustee in lieu of the opinion provided for in subdivision (5) of Section 3 of Article X; or (iii) all of the Company's Utility

Property used as the basis for the payment by the Trustee of cash or moneys out of the Release Fund in the case of a title policy delivered in lieu of the opinion provided for in Section 10 of Article X, as the case may be, in each case free and clear of all liens, charges, restrictions and encumbrances except for (a) rights or claims of parties in possession not shown by the public records, (b) encroachments, overlaps, boundary line disputes, and any other matters which would be disclosed by an accurate survey and inspection of the premises, (c) easements or claims of easements not shown by the public records, (d) the lien of this Indenture and such other liens, charges, restrictions and encumbrances as are permitted by this Indenture, (e) the lien of current state and local property taxes not in default, (f) prepaid liens as herein defined, (g) liens securing indebtedness which has neither been assumed by the Company nor on which it customarily pays interest charges existing upon real estate or rights in or relating to real estate acquired for right-of-way purposes and not upon any other property additions, and (h) such other easements, restrictions and minor defects in title as, in the opinion of legal counsel (who may be counsel of the Company) appointed by the Board of Directors of the Company or by an executive committee thereof and approved by the Trustee, do not materially adversely affect the lien afforded by the Indenture for the bonds issued thereunder or the right of the Company to use such Company Utility Property in the conduct of its business for the purpose for which it acquired the same;

(2) An engineer's certificate, as herein defined, to the effect that the property listed in such ALTA Loan title insurance policy or equivalent form of title insurance policy or endorsement thereto includes (i) all of the Company's Utility Property in the case of a title policy delivered in lieu of the opinion provided for in subdivision (4) of Section 5 of Article V; (ii) all of the Company's Utility Property to be used as consideration for the property to be released in the case of a title policy delivered in lieu of the opinion required by subdivision (5) of Section 3 of Article X; or (iii) all of the Company's Utility Property used as the basis for the payment by the Trustee of cash or moneys out of the Release Fund in the case of a title policy delivered in lieu of the opinion required by Section 10 of Article X;

(3) The results of a search of the records of (i) the office of the Secretary of State of the State of Illinois or other governmental office wherein notice

of liens upon the personal property of the Company would be properly filed, and (ii) the office of the county clerk, county recorder or other officer of each county in Illinois where property of the Company is located and where notice of judgment or tax liens against the property of the Company would be properly filed, such searches to be conducted as of a recent date; and

(4) An opinion of legal counsel (who may be counsel of the Company) appointed by the Board of Directors of the Company or by an executive committee thereof and approved by the Trustee as to the matters referred to in subdivision 1(h) of this Section 6 and to the effect that the lien searches referred to in subdivision (3) of this Section 6 do not evidence any lien for the payment of money or its equivalent prior to the lien of this Indenture other than prepaid liens, as herein defined, (b) taxes for the current year and taxes, assessments and other governmental charges not then due or delinquent and (c) liens securing indebtedness which has neither been assumed by the Company nor on which it customarily pays interest charges existing upon real estate or rights in or relating to real estate acquired for right-of-way purposes and not upon any other property additions.

The aggregate amount of insurance afforded by the title insurance policy (including any endorsements thereto) from time to time in force and delivered to the Trustee pursuant to this Section 6 shall be not less than the principal amount of bonds outstanding under the Indenture, after giving effect to the issuance of the bonds applied for pursuant to this Article V of the Indenture, in the case of a title policy or endorsement thereto delivered in lieu of the opinion provided for in subdivision (4) of Section 5 of Article V. In the event that this Section 6 would otherwise require a new title insurance policy or endorsement to an existing policy to be delivered to the Trustee and the Trustee is then in possession of a policy, as the same may have been endorsed, covering all of the Company's Utility Property, and the aggregate amount of insurance afforded by such policy (including any endorsements thereto) is not less than the principal amount of bonds outstanding under the Indenture, then the Company shall not be required to deliver a new policy or new endorsement to an existing policy in lieu of the opinion otherwise required under subdivision (5) of Section 3 of Article X or under Section 10 of Article X hereof or the other documents, certificates and opinions required to be delivered to the Trustee by this Section 6, and the Trustee shall rely on such existing policy, as the same may have

been endorsed, and shall not require the opinion otherwise required by subdivision (5) of Section 3 of Article X in connection with the property to be released under Section 3 of Article X or require the opinion otherwise required by Section 10 of Article X in connection with the payment by the Trustee of cash or money out of the Release Fund. The cost of obtaining a title insurance policy pursuant to the terms of this Section 6 shall be borne by the Company.

ARTICLE III

MISCELLANEOUS

Section 1. Except as otherwise provided herein, all of the terms, provisions and conditions of the Indenture, as hereby supplemented and amended, shall be and remain in full force and effect and shall apply to the property hereby mortgaged and pledged.

Section 2. This Supplemental Indenture N shall be binding upon and inure to the benefit of the Company and its successors and assigns and the Trustee and its successor or successors.


Section 3. This Supplemental Indenture N may be simultaneously executed in any number of counterparts, and all said counterparts executed and delivered, each as an original, shall constitute but one and the same instrument.

IN WITNESS WHEREOF, CONSUMERS ILLINOIS WATER COMPANY has caused this instrument to be executed in its corporate name by its President or a Vice President and its corporate seal to be hereunto affixed, attested by its Secretary or an Assistant Secretary, and MAINE NATIONAL BANK has caused this instrument to be executed in its corporate name by its Vice President and its corporate seal to be hereunto affixed, attested by its Assistant Trust Officer.

ATTEST:

CONSUMERS ILLINOIS WATER
COMPANY


Assistant Secretary

By 
President

[Seal]

Comparative Financial Data (Total Company)

Proposed Test Year Period: Future
Period Reported: 1992 - 2001
Prior Year (1999) 12 Mo. Actual

Line	Description (A)	Test Year 2001 (B)	Projected 2000 (C)	1999 (D)	1998 (E)	1997 (F)	1996 (G)	1995 (H)	1994 (I)	1993 (J)	1992 (K)
1	Plant Data (\$000):										
2	Gross utility plant in service (year end)	\$149,890	\$145,899	\$137,538	\$131,229	\$125,979	\$121,748	\$110,269	\$105,242	\$76,668	\$78,636
3	Accumulated Depreciation (year end)	<u>-40,912</u>	<u>-37,411</u>	<u>-35,990</u>	<u>-32,498</u>	<u>-29,093</u>	<u>-26,120</u>	<u>-23,698</u>	<u>-22,115</u>	<u>-20,664</u>	<u>-19,881</u>
4	Net plant in service (year end)	108,977	108,488	101,548	98,731	96,885	95,628	86,571	83,127	56,004	58,755
5	Accumulated Deferred income taxes (year end)	7,962	7,532	7,219	-6,760	-6,034	-5,740	-5,039	-5,132	-4,450	-4,580
6	Construction Work in Progress (year end)	820	820	2,243	712	944	696	6,814	1,786	1,226	1,078
7	Construction expenditures excl. AFUDC or IDC										
8											
9	Capital Structure Ratios:										
10	Investment Tax Credit								1.9%	2.0%	2.2%
11	Short-Term Debt	2.9%	3.5%	3.3%	2.0%	5.5%	6.4%	2.9%	8.8%	6.0%	1.9%
12	Long-Term Debt	45.5%	45.6%	46.4%	49.2%	50.4%	50.0%	51.9%	48.8%	53.7%	58.8%
13	Preferred Stock	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.6%	0.6%	0.7%	0.7%
14	Common Equity	<u>51.1%</u>	<u>50.4%</u>	<u>49.8%</u>	<u>48.3%</u>	<u>43.5%</u>	<u>43.0%</u>	<u>44.7%</u>	<u>39.9%</u>	<u>37.2%</u>	<u>36.4%</u>
15	Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
16											
17	Costs of Capital:										
18	Embedded cost of long-term debt	8.57%	8.59%	8.72%	8.77%	8.79%	8.98%	8.52%	8.68%	8.79%	8.67%
19	Embedded cost of preferred stock	5.52%	5.52%	5.52%	5.52%	5.52%	5.52%	5.52%	5.52%	5.52%	5.52%
20											
21	Condensed Income Statement Data (\$000):										
22	Operating Revenues by customer										
23	Residential	\$14,270	\$14,136	\$14,634	\$13,841	\$12,327	\$11,332	\$10,642	\$10,709	\$10,014	\$10,342
24	Commercial	4,209	4,187	4,015	3,913	3,608	3,772	3,487	3,033	2,756	2,693
25	Industrial	2,519	2,519	2,437	2,234	2,098	2,355	2,863	2,814	3,004	3,039
26	Public Authorities										
27	Fire Protection	1,237	1,233	1,237	1,202	1,141	1,101	1,052	1,027	1,025	1,013
28	Other Miscellaneous	<u>1,956</u>	<u>2,410</u>	<u>2,237</u>	<u>1,669</u>	<u>2,168</u>	<u>2,020</u>	<u>1,916</u>	<u>1,005</u>	<u>997</u>	<u>1,784</u>
29	Total Operating Revenues	\$24,191	\$24,486	\$24,560	\$22,859	\$21,342	\$20,580	\$19,960	\$18,588	\$17,796	\$18,871
30	Operating Expenses - excluding income tax	16,867	15,671	16,039	15,057	14,497	14,209	12,923	11,961	11,884	12,083
31	State Income Tax	1,309	1,727	372	335	228	167	266	271	8	280
32	Federal Income Tax - Current	289	382	1,788	975	636	603	1,094	616	669	1,255
33	Deferred Income Taxes and ITC credits (net)	<u>-50</u>	<u>-50</u>	<u>-50</u>	<u>397</u>	<u>334</u>	<u>331</u>	<u>107</u>	<u>401</u>	<u>333</u>	<u>-76</u>
34	Operating Income	\$5,775	\$6,756	\$6,410	\$6,095	\$5,647	\$5,270	\$5,570	\$5,339	\$4,902	\$5,329
35											
36	AFUDC - equity funds portion	0	218	55	1	16	236	203	59	11	16
37	Other Income (Net)	-12	-375	447	127	128	-227	151	127	198	119
38	Amortization of Pre 1971 ITC					2	2	2	2	2	2
39	Interest Expense - gross										
40	AFUDC - borrowed funds portion										
41	Interest Expense - net	3,402	3,312	3,204	3,318	3,420	3,453	3,385	3,097	3,069	3,000
42	Gains / Losses Dispositions (Net)	<u>0</u>	<u>0</u>	<u>129</u>	<u>-7</u>	<u>355</u>	<u>0</u>	<u>0</u>	<u>394</u>	<u>848</u>	<u>0</u>
43	Net Income	\$2,361	\$3,286	\$3,837	\$2,898	\$2,728	\$1,828	\$2,541	\$2,824	\$2,892	\$2,466
44	Preferred Dividends	22	22	16	22	27	22	22	22	22	16
45	Net Income available for common equity	<u>\$2,339</u>	<u>\$3,264</u>	<u>\$3,821</u>	<u>\$2,876</u>	<u>\$2,701</u>	<u>\$1,806</u>	<u>\$2,519</u>	<u>\$2,802</u>	<u>\$2,870</u>	<u>\$2,450</u>

CONSUMERS ILLINOIS WATER COMPANY

Vermillion Water Division
Rate Case Docket No. 00-

Schedule D - 9
Page 2 of 2
Person Responsible: F. Simpson

Proposed Test Year Period: Future
Period Reported: 1992 - 2001
Prior Year (1999) 12 Mo. Actual

Comparative Financial Data (Total Company)

Line	Description (A)	Test Year 2001 (B)	Projected 2000 (C)	1999 (D)	1998 (E)	1997 (F)	1996 (G)	1995 (H)	1994 (I)	1993 (J)	1992 (K)
1	Earnings Ratios:										
2	AFUDC/IDC as a % of earnings for common	1.32%	1.12%		0.03%	0.59%	13.07%	8.06%	2.11%	0.38%	0.65%
3	Return on net original cost rate base	7.91%	8.47%		8.34%	7.89%	7.47%	8.00%	8.38%	8.67%	9.64%
4	Return on average common equity	8.07%	9.54%		8.12%	8.38%	5.60%	8.61%	11.50%	12.98%	12.25%
5											
6	Fixed Charge Coverage:										
7	Pre-tax interest cov. (Excl. AFUDC or IDC)	2.43	2.68		2.39	2.04	1.78	2.12	2.18	1.99	2.30
8	After-tax interest cov. (Excl. AFUDC / IDC)	1.91	2.09		1.88	1.69	1.46	1.69	1.77	1.66	1.82
9	Coverage for SEC filings										
10	After-tax fixed charge coverage	1.89	2.08		1.86	1.68	1.52	1.74	1.77	1.65	1.81
11											
12	Cash Flow Ratios:										
13	Funds flow interest coverage	3.04	2.87		3.13	3.04	1.96	2.73	1.81	1.67	1.47
14	Funds flow as a % of average total debt	17.68%	16.22%		18.50%	18.64%	8.80%	16.87%	7.83%	6.15%	4.40%
15	Cash coverage of common dividends	2.22	1.71		2.85	2.66	1.72	3.16	1.92	1.62	1.26
16	Net cash coverage as a % of Constr. Exp.	106.97%	70.59%		90.91%	97.04%	26.51%	33.72%	16.94%	29.56%	13.46%
17											
18	Common Stock Related Data:										
19	Shares Outstanding - Year End (1)	596,720	596,720	596,720	596,720	530,720	530,720	530,720	454,900	440,200	440,200
20	Shares Outstanding - Weighted Ave (Mo)	596,720	596,720	596,720	569,432	530,720	530,720	475,276	447,550	440,200	220,100
21	Earnings Per Share - Weighted Ave.	\$3.92	\$5.47	\$6.40	\$5.05	\$5.09	\$3.40	\$5.30	\$6.26	\$6.52	\$5.57
22	Dividends Paid Per Share - Wtd. Ave.	\$2.89	\$0.00	\$4.38	\$4.34	\$3.93	\$3.67	\$3.89	\$4.25	\$4.58	\$3.58
23	Dividend Payout Ratio	74%	0%	68.34%	85.85%	96.91%	107.97%	73.44%	67.81%	70.18%	64.29%
24	Book Value Per Share (Year End)	\$70.44	\$69.24	\$63.60	\$61.44	\$60.78	\$60.62	\$60.89	\$57.58	\$51.21	\$49.27

(1) Equivalent outstanding shares of Inter-State Water Company combined with outstanding shares of Consumers Illinois Water Company on a yearly basis.

CONSUMERS ILLINOIS WATER COMPANY
VERMILION COUNTY DIVISION
DANVILLE, ILLINOIS

ILL. C. C. No. 32
Original Sheet No. 1

Applies To: City of Danville, Village of Tilton
 and Adjacent Territory, Vermilion County, Illinois

WATER SERVICE
METERED SERVICE

General Service Rates

The rates for General Service shall consist of a Facilities Charge plus a Usage Charge.

Facilities Charge

The following Facility Charge varying with the size of the meter is applicable regardless of usage of water:

<u>MONTHLY RATES</u>		
<u>Size of Meter</u>	<u>Displacement Meter</u>	<u>Turbine Meter</u>
5/8 inch	10.00	
3/4 inch	13.50	
1 inch	20.00	
1-1/2 inch	37.00	
2 inch	57.00	
3 inch	104.00	120.00
4 inch	170.00	204.00
6 inch	337.00	421.00
8 inch	537.00	604.00
10 inch	771.00	972.00
12 inch	1,125.00	

When two or more meters are installed in parallel, the facility charge will be based on one meter size larger.

Usage Charge

In addition to the foregoing Facilities Charge, each customer shall pay the following Usage Charge:

	<u>100 Cubic Ft. Per Month</u>	<u>Rate Per 100 Cu. Ft.</u>
For the first	100	2.344
For the next	900	1.910
For the next	9,000	1.454
For all over	10,000	1.331

Issued: June 5, 1998

Effective: June 8, 1998

Issued By: Craig M. Cummings, Vice President
322 North Gilbert Street, Danville, Illinois 61832

CONSUMERS ILLINOIS WATER COMPANY
VERMILION COUNTY DIVISION
DANVILLE, ILLINOIS

ILL. C. C. No. 32
Original Sheet No. 2

Applies To: City of Danville, Village of Tilton
and Adjacent Territory, Vermilion County, Illinois

WATER SERVICE

FLAT RATE SERVICE

Private Fire Protection

Private Fire Hydrants

<u>Service Size</u>	<u>Monthly Rate</u>
Less than 3 inches	5.00
3 inches	7.00
4 inches	11.00
6 inches	26.00
8 inches	51.00
10 inches	88.00
12 inches	141.00

Billing Terms - All Customers

Billings will be made on the basis of the approved rates and are due and payable at the stated rates on or before the twenty-first (21st) day following the date of the postmark of the bill, or, if said twenty-first (21st) day falls on a Saturday, Sunday, or legal holiday, then on the first day thereafter not a Saturday, Sunday, or legal holiday; all bills unpaid after said twenty-first (21st) day shall be increased by one and one half percent (1-1/2%) per month, including amounts previously past due.

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322 North Gilbert Street, Danville, Illinois 61832

CONSUMERS ILLINOIS WATER COMPANY
VERMILION COUNTY DIVISION
DANVILLE, ILLINOIS

ILL. C. C. No. 32
Original Sheet No. 3

Applies To: City of Danville, Village of Tilton
 and Adjacent Territory, Vermilion County, Illinois

WATER SERVICE
FLAT RATE SERVICE

Monthly Public Fire Protection Charges

Danville Fire District

<u>Meter Size</u>	<u>Per Month</u>
5/8 inch	2.85
3/4 inch	4.28
1 inch	7.13
1-1/2 inch	14.25
& larger	

Lynch Fire District

<u>Meter Size</u>	<u>Per Month</u>
5/8 inch	0.64
3/4 inch	0.96
1 inch	1.60
1-1/2 inch	3.20
& larger	

Kickapoo Fire District

<u>Meter Size</u>	<u>Per Month</u>
5/8 inch	0.92
3/4 inch	1.38
1 inch	2.30
1-1/2 inch	4.60
& larger	

Tilton Fire District

<u>Meter Size</u>	<u>Per Month</u>
5/8 inch	3.51
3/4 inch	5.27
1 inch	8.78
1-1/2 inch	17.55
& larger	

Westville Fire District

<u>Meter Size</u>	<u>Per Month</u>
5/8 inch	0.62
3/4 inch	0.93
1 inch	1.55
1-1/2 inch	3.10
& larger	

Bismarck Fire District

<u>Meter Size</u>	<u>Per Month</u>
5/8 inch	2.84
3/4 inch	4.26
1 inch	7.10
1-1/2 inch	14.20
& larger	

At the present time, the Catlin Fire District has no public fire protection charges because said Fire District has no hydrants located within the Consumers Illinois Water Company, Vermilion County Division service area.

Issued: June 5, 1998

Effective: June 8, 1998

Issued By: Craig M. Cummings, Vice President
322 North Gilbert Street, Danville, Illinois 61832

CONSUMERS ILLINOIS WATER COMPANY
VERMILION COUNTY DIVISION
DANVILLE, ILLINOIS

ILL. C. C. No. 32
First Revised Sheet No. 4
Cancelling Original Sheet No. 4

Applies To: City of Danville, Village of Tilton
 and Adjacent Territory, Vermilion County, Illinois

WATER SERVICE
MUNICIPALITIES FOR RESALE SERVICE

Rates to Municipalities for Resale

The rate shall consist of a Facilities Charge based on meter size plus a Usage Charge.

Facilities Charge

The following Facility Charge varying with the size of the meter is applicable regardless of usage of water:

<u>MONTHLY RATES</u>		
<u>Size of Meter</u>	<u>Displacement Meters</u>	<u>Turbine Meter</u>
5/8 inch	10.00	
3/4 inch	13.50	
1 inch	20.00	
1-1/2 inch	37.00	
2 inch	57.00	
3 inch	104.00	120.00
4 inch	170.00	204.00
6 inch	337.00	421.00
8 inch	537.00	604.00
10 inch	771.00	972.00
12 inch	1,125.00	

When two or more meters are installed in parallel, the facility charge will be based on one meter size larger.

Usage Charge

In addition to the foregoing Facilities Charge, each customer shall pay the following Usage Charge:

For all water used - \$1.761 per 100 cubic feet.

This rate is available to municipalities desiring to receive water by metered service from the Consumers Illinois Water Company, Vermilion County Division for redistribution to consumers beyond the service area of the City of Danville.

It shall be the responsibility of the adjoining municipality to maintain its own pressure and distributing system and the rendering of bills and their collections.

Issued: June 11, 1998

Effective: June 14, 1998

Issued By: Craig M. Cummings, Vice President
322 North Gilbert Street, Danville, Illinois 61832

CONSUMERS ILLINOIS WATER COMPANY
VERMILION COUNTY DIVISION
DANVILLE, ILLINOIS

ILL. C. C. No. 32
Original Sheet No. 8

Applies To: City of Danville, Village of Tilton
and Adjacent Territory, Vermilion County, Illinois

WATER SERVICE
LARGE GENERAL SERVICE

Availability

This rate is available only to General Service Customers which enter into a four year Service Agreement with the Company which provides for minimum usage of at least 35,000 hundred cubic feet (ccf) during each Billing Period.

Facilities Charge

The following Facility Charge varying with the size of the meter is applicable regardless of usage of water:

MONTHLY RATES		
<u>Size of Meter</u>	<u>Replacement Meter</u>	<u>Turbine Meter</u>
5/8 inch	10.00	
3/4 inch	13.50	
1 inch	20.00	
1-1/2 inch	37.00	
2 inch	57.00	
3 inch	104.00	120.00
4 inch	170.00	204.00
6 inch	337.00	421.00
8 inch	537.00	604.00
10 inch	771.00	972.00
12 inch	1,125.00	

When two or more meters are installed in parallel, the facility charge will be based on one meter size larger.

Usage Charge

In addition to the foregoing Facilities Charge, each customer shall pay the following Usage Charge:
For each Billing Period, the amount of \$0.774 per ccf for the greater of: actual usage
in ccf; or 35,000 ccf.

Billing Period

For purposes of this rate, a Billing Period shall be a period of at least thirty days ending on or about the last business day of each calendar month.

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Effective: June 8, 1998

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322 North Gilbert Street, Danville, Illinois 61832

CONSUMERS ILLINOIS WATER COMPANY
VERMILION COUNTY DIVISION

ILL. C. C. No. 32
First Revision Sheet No. 1
 Cancelling Original Revised Sheet No. 1

Applies To: City of Danville, Village of Tilton
 and Adjacent Territory, Vermilion County, Illinois

WATER SERVICE

METERED SERVICE

General Service Rates

The rates for General Service shall consist of a Facilities Charge plus a Usage Charge.

Facilities Charge

The following Facility Charge varying with the size of the meter is applicable regardless of usage of water:

<u>Size of Meter</u>	<u>MONTHLY RATES</u>	
	<u>Displacement Meter</u>	<u>Turbine Meter</u>
5/8 inch	12.27	
3/4 inch	16.56	
1 inch	24.54	
1-1/2 inch	45.40	
2 inch	69.94	
3 inch	127.60	147.23
4 inch	208.58	250.29
6 inch	413.48	516.55
8 inch	658.87	741.08
10 inch	945.98	1192.60
12 inch	1380.32	

When two or more meters are installed in parallel, the facility charge will be based on one meter size larger.

Usage Charge

In addition to the foregoing Facilities Charge, each customer shall pay the following Usage Charge:

	<u>100 Cubic Ft. Per Month</u>	<u>Rate Per 100 Cu. Ft.</u>
For the first	100	2.876
For the next	900	2.343
For the next	9,000	1.784
For all over	10,000	1.633

Issued: April 14, 2000

Effective: May 29, 2000

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322 North Gilbert Street, Danville, Illinois 61832